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SAPC 7007
Copy 7 of 9

12 July 1956

MEMORANDUM FOR: Project Director/AQUATONE

THROUGH : Deputy Project Director and
Project Director of Administration *ALGK*
SUBJECT : New [redacted] Project 25X1

1. This is forwarded to record the substance of conversations
between the undersigned and representatives of the USAF pertaining
to the security responsibilities and procedures potentially applicable
in the formation of a new [redacted] project. I believe you are aware
of the details of the project. For record purposes it is noted that
the undersigned does not have such knowledge.

25X1 2. Initially [redacted] 25X1

[redacted], contacted [redacted] Deputy
Director of Security, and requested an audience to review aspects
of the security procedures established for Project AQUATONE. [redacted]
[redacted] inquiry was brought to the attention of the undersigned who
accompanied [redacted] to the office of [redacted] where we
discussed in general terms the security program evolved for our
project. Present at the meeting were [redacted]

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[redacted]
any myself.

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3. It developed that the project being considered is directed
by [redacted]. [redacted] has on his staff [redacted]
[redacted] who is concerned with the security
program of the proposed project. [redacted] indicated that he
was asked to participate in the program by [redacted]. The ensuing
conversation concerned the clearance aspects of Project AQUATONE with
its phased knowledgeability, complete background investigation on
every participant, and Industrial Security Review Board procedures
binding upon the [redacted]. Regarding the latter it was
pointed out that this Agency endeavored to pattern our activities
along the lines of a normal [redacted] research, development, and

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procurement program except we continually looked for problem areas leading us into the control of the Industrial Security Review Board with a view toward avoiding such issues by every legitimate means.

4. Subsequent to the conference noted above, the undersigned was contacted by [redacted] 25X1

[redacted] indicated to the undersigned 25X1
that he is in the [redacted] and had been

designated by [redacted] as the Project Security Officer. It appears [redacted] will be concerned with the day to day security factors, while [redacted] interest can best be described as the policy making level. [redacted] was interested in personally reviewing the factors discussed at the meeting with [redacted]

These apparently were forwarded to [redacted] by [redacted] office. 25X1 25X1

5. In each instance the Air Force officials appeared pleased with the opportunity to discuss our project. It should be noted that they were aware we have utilized certain employees of Lockheed Aircraft Corporation to gather background information on Lockheed personnel. It should be noted no details of Project AQUATONE mission, organization, or personalities were covered in the conference.

6. Two points appear pertinent to Project AQUATONE as a result of the conversations. First, within certain quarters of the Air Force, Project AQUATONE has received a considerable degree of publicity as an extremely significant achievement in the research, development, and procurement fields. This does not appear to currently represent a serious threat to AQUATONE as the knowledgeable individuals are on a high level, in key positions, and have been aware of our activities for some time. The second significant factor and of more practical interest is the fact that this new program, by virtue of our liaison with the Air Force and dual interest in several suppliers, will become something of an administrative problem; for instance, we reasonably can expect the Air Force to review security information acquired by our project rather than initiate a completely new field of endeavor in this respect.

7. To date the undersigned has not had an opportunity to discuss this project with [redacted], His 25X1 office has been contacted on several occasions, but in each instance he has been in conference or out of town. On 13 June 1956, [redacted] was contacted and requested to get

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in touch with [redacted] and arrange for a joint meeting between
[redacted] and the undersigned. Steps will be taken to
keep you apprised of this entire matter and any significant factors
which may arise.

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[redacted]
Project Security Officer

WTL:vod (11 Jul 56)

Distribution:

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